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BAUCUS, RANGEL, GRASSLEY, CAMP HAIL PASSAGE OF EXPANDED TRADE ADJUSTMENT ASSISTANCE

*Finance, Ways and Means leaders discuss critical improvements, assistance
coming to American workers and small businesses*

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.), House Ways and Means Committee Chairman Charles Rangel (D-N.Y.), Finance Committee Ranking Member Chuck Grassley (R-Iowa), and Ways and Means Committee Ranking Member Dave Camp (R-Mich.) today discussed and celebrated the major improvement and expansion of Trade Adjustment Assistance they worked together to champion as part of the American Recovery and Reinvestment Act of 2009. The package crafted by the four trade leaders created a better, stronger TAA program to help save American jobs and support American workers.

“International trade creates a lot of good-paying jobs here at home, but when trade does have negative effects, TAA will now help more workers recover survive in the short term and thrive with new careers in the long term. And an improved TAA for Firms will save and even create jobs by helping small businesses adjust to foreign competition,” said Baucus. **“My colleagues and I struck this agreement to improve and expand TAA because we knew it was the right thing to do. American workers will benefit, because we all worked together.”**

“This bipartisan legislation to expand and improve the Trade Adjustment Assistance program could not have come at a better time for American workers,” Rangel said. **“The TAA provisions included in the recovery package will help workers who lose their jobs due to trade get the support and skills they need to get back on their feet and succeed in the global economy.”**

"This legislation expands the scope and scale of the Trade Adjustment Assistance program to better meet the needs of workers in the globalized economy. It improves the program's transparency, accountability and oversight at the state and federal level. These changes will help American workers for years to come," Grassley said. **"Now I look forward to addressing other trade-related initiatives. Export-related jobs are higher-paying on average, so we need to do more to level the playing field for our exporters in order to maintain and grow those jobs. There's no doubt that a pro-growth trade agenda should be a key component of economic recovery efforts this year."**

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“It’s not every day that we are able to reach a bipartisan and bicameral compromise, and I am so proud to have reached agreement with Chairman Baucus, Chairman Rangel, and Senator Grassley on legislation to expand and improve the Trade Adjustment Assistance program,” Camp said. “This important package provides a coherent, rational, accountable, and cost-effective system for training trade-affected workers and putting them back to work quickly and at better jobs. The expansion to cover services workers adversely affected by trade is a particularly important part of this deal, as well as the expanded and more flexible training opportunities designed to help workers obtain the skills they need to start new careers. While this assistance package is absolutely essential to helping those dislocated by trade, it is also critical to note the positive impact that trade has on our economy and working families. The simple fact is that exports, and the millions of jobs that they support, have been the largest contributor to our economic growth. Now that we’ve improved TAA, we need to move forward with our trade agenda to increase our exports and create more jobs here in the United States.”

Trade helps to create many good, well-paid American jobs. But in cases when trade has negative effects, Trade Adjustment Assistance (TAA) provides extended income and training benefits to workers. The new law improves and expands Trade Adjustment Assistance in significant ways. TAA will now be available to trade-affected workers in the services sector – which comprise 80 percent of the U.S. workforce – as well as to workers whose jobs shift to all countries, not just those with which the United States has certain trade agreements. The law also increases assistance available to American businesses seeking to avoid trade-related layoffs by retooling for the global marketplace. Worker training funds available to states will increase by 160 percent, and the law creates a new TAA program to help trade-affected communities. The measure also allows for automatic TAA eligibility for workers suffering from import surges and unfair trade, makes training, healthcare and reemployment TAA benefits more accessible and flexible, and improves the TAA for Farmers program. And, the law makes significant improvements in accountability at the state and federal level to help ensure that taxpayer dollars are well-spent. All Trade Adjustment Assistance programs are now authorized through December 31, 2010.

A summary of the improved and expanded Trade Adjustment Assistance provisions is on the following pages.

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EXPANDING TRADE ADJUSTMENT ASSISTANCE

In the American Recovery and Reinvestment Act

Senators Baucus and Grassley and Congressmen Rangel and Camp championed policies to significantly expand existing Trade Adjustment Assistance (TAA) programs as part of the American Recovery and Reinvestment Act of 2009. Among other things, the new law extends TAA to trade-affected services sector workers and workers affected by offshoring or outsourcing to countries like China or India. The law creates a new TAA program for trade-affected communities, and makes training, healthcare and reemployment TAA benefits more accessible and flexible. It reauthorizes all TAA programs (which expired December 31, 2007) through December 31, 2010. Key provisions of the new law are set out below:

- ***Extends TAA benefits to service sector workers and firms.*** Current law covers workers who produce *articles* that are subject to import competition. A May 2007 GAO study found that 40% of TAA denials are because workers did not produce *an article*. The new law clarifies that workers and firms that supply *services*, and are affected by trade, are also eligible for TAA.
- ***Covers workers whose firms shift production to non-FTA partner countries.*** Current law covers shifts in production to Free Trade Agreement partner or certain preference program countries. The new law ensures that workers whose firms shift production to other countries, such as China or India, are eligible for TAA, without having to meet other tests.
- ***Increases training funding by 160 percent to up to \$575 million.*** Current law caps training funds at \$220 million. In the past, some states have run out of training funds. The new law authorizes up to \$575 million for fiscal years 2009 and 2010, and prorates such funds for the period beginning October 1, 2010, and ending December 31, 2010.
- ***Creates a TAA for Communities program.*** The new law authorizes \$230 million per fiscal year for trade adjustment assistance for communities affected by trade. It makes qualifying communities eligible for strategic planning grants (with preference given to small- and medium-sized communities), sector partnership grants, and community college and career training grants.
- ***Improves TAA coverage for U.S. suppliers of component parts.*** Under current law, a firm that supplies component parts to another firm may be certified for TAA benefits only if the customer employed workers who were adversely affected by trade and receive TAA certification. If the customer's workers do not obtain TAA certification, the workers who lose their jobs at the component part supplier cannot do so either. The new law remedies this shortcoming in current law. It also allows firms that supply component parts to foreign customers to petition for benefits if their customers switch to component parts produced outside the United States.

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- ***Ensures automatic eligibility for workers suffering from unfair trade and import surges.*** Unfair foreign subsidies and dumping of foreign goods and unexpected import surges can injure U.S. industries and cause workers in those industries to lose their jobs. The new law provides for automatic TAA certification of workers at firms in such industries if they were totally or partially separated from such a firm within one year before or after an affirmative injury determination by the International Trade Commission.
- ***Triples funding for TAA for Firms.*** The TAA for Firms program, which helps businesses adjust to foreign competition, has a backlog of approved but unfunded projects equivalent to a full year's funding at current levels. The new law authorizes \$50 million for the program and expands the program's reach by allowing firms to show a decline in sales or production over one, two, or three years instead of the current one year allowed.
- ***Creates more flexible training options.*** The new law improves training options, including expanded opportunities for long-term training, part-time training, and pre-layoff training.
- ***Restarts the eligibility clock for active duty military service.*** The new law allows a worker called up for active duty military or full-time National Guard service to restart his/her TAA enrollment process after completing such service.
- ***Improving the affordability and availability of health coverage.*** The Health Coverage Tax Credit (HCTC) program provides health insurance benefits to TAA eligible workers or retirees covered by pension plans taken over by Pension Benefit Guaranty Corporation (PBGC) who have lost their employer-sponsored coverage. While many workers are eligible for the HCTC program, few enroll due to lack of affordability and difficulty in the enrollment process. The new law improves the HCTC program by increasing the premium subsidy level from 65 percent to 80 percent, providing workers retroactive payments to help cover the up-front costs of obtaining health coverage, improving coverage of spouses and dependents, and establishing new reporting requirements on the costs and types of health benefits available to this population. The new law also provides \$150 million in grant funding to help states improve the availability of health insurance options and to help TAA eligible workers and retirees cover their monthly health premium costs.
- ***Makes wage insurance more accessible and flexible with other benefits.*** The new law eliminates the requirement to forfeit training to be eligible for wage insurance, and it allows workers to switch from trade readjustment allowances (TRAs) to wage insurance payments at any time during their training. Further, the new law provides for a worker who successfully completes training and is reemployed to receive reemployment TAA benefits in lieu of TRA benefits for the remainder of the worker's TRA eligibility. And the provision raises the maximum yearly earnings of an eligible worker to \$55,000 (from \$50,000), and the maximum two-year benefit to \$12,000 (from \$10,000).

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- ***Streamlines eligibility criteria for TAA for Farmers.*** The new law reduces the commodity price decline that producers must demonstrate to qualify for benefits from 20 % to 15%, and it reduces the historical price data required from five years to three. The new law clarifies that fishermen and aquaculture producers may receive TAA benefits whether they are competing against imported farmed or wild-caught fish or seafood. The new law provides targeted training that was previously unavailable to most participants. Producers who successfully complete the training phases become eligible for up to \$12,000 in seed money to use their new skills and implement a business plan.
- ***Helps states fund caseworker time spent with TAA clients.*** TAA funds do not pay for caseworker time with clients, so states must use other sources of funds (including from shrinking non-entitlement programs like the Workforce Investment Act) for such activities. The new law provides \$86 million per year to states for administrative and case management services, as well as an additional \$350,000 to each state per year for case management services.
- ***Fixes technical hurdles to benefits.*** The new law streamlines multiple training enrollment deadlines (currently 8 weeks after certification or 16 weeks after separation, and 210 days after layoff) into one: 26 weeks after layoff or certification, whichever is later. It allows states to grant training waivers to workers with postgraduate degrees to give more time for job search. It gives 6 extra months for a worker to complete pre-requisite courses (necessary to enter most programs in high-growth industries like healthcare), improves accountability for on-the-job training placements, extends TRA benefits for a worker whose approved training and hence TRA benefits were delayed, and ensures that workers who win administrative or judicial appeals are not penalized for time lost during such appeals.
- ***Creates an Office of Trade Adjustment Assistance and improves outreach to workers.*** The GAO has found that few workers are aware of or understand TAA benefits. The new law creates an Office of Trade Adjustment Assistance within the Department of Labor that reports directly to the Deputy Assistant Secretary (DAS) for Employment and Training. The office will make eligibility determinations, give technical assistance to petitioners, explain benefits to participants, and provide feedback to Congress on TAA service delivery.

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